

Benchmark Cost Proxy Model Results

Area Wide Summary Report

National
Multiple States [50]

<u>Investment Per Line Data</u>	<u>Uncapped Annual Amount</u>	<u>Capped¹ Annual Amount</u>
Loop Investment	\$ 947	\$ 943
Switch Investment	\$ 119	\$ 119
IOF Investment	\$ 4	\$ 4
Other Investment	\$ 67	\$ 67
Total Investment	\$ 1,137	\$ 1,133
<u>Expense Per Month Data</u>		
Capital Cost	\$ 17.86	\$ 17.79
Operating Expense per Line	\$ 11.34	\$ 11.34
Total Cost per Line	\$ 29.20	\$ 29.14
Gross Receipts Tax ²	\$ 1.19	\$ 1.18
<u>Line Data</u>		
Average Loop Length in Feet	17,273	
Lines Above \$10K Loop Inv	132,299	
Number of Households	96,900,089	
Number of Residential Lines	109,771,932	
Number of Single Business Lines	12,866,289	
Multiple Business Lines	40,587,934	
Total CBG Lines Served	163,226,155	
<u>Aggregate Support Data</u>		
Support Over \$20 Benchmark	\$ 15,230,979,431	\$ 15,120,870,243
Support Over \$30 Benchmark	\$ 8,431,506,350	\$ 8,321,397,162
Support Over \$40 Benchmark	\$ 5,091,487,444	\$ 4,981,378,256
Support Over \$50 Benchmark	\$ 3,031,058,347	\$ 2,920,949,159
Support Over \$60 Benchmark	\$ 1,780,377,756	\$ 1,670,268,568
Support Over \$70 Benchmark	\$ 1,101,013,503	\$ 990,904,315
Support Over \$80 Benchmark	\$ 746,332,922	\$ 636,223,734

¹ CBGs with Average Loop Investment per line over \$10,000 are capped at \$10,000

² Application varies so much on a state by state basis, it is not included in the Monthly Cost.

Assumptions:

SPRINTDISCOUNTBASE.CSV, CapcostSprintDiscount.inf

BCPMsprint.xls

USF with Sprint Discounted Cable Prices (0% discount applied)

Benchmark Cost Proxy Model Results

Plant Summary Report

**National
Multiple States [50]**

Investment: Capped¹

Lines Above \$10K Loop Investment = 132,299

Density Group	0 to 10		11 to 50		51 to 150		151 to 500		501 to 2000		2001 to 5000		> 5001		Total	
Investment Per Line Data																
Total Capped Loop Investment ²	\$	5,642	\$	2,692	\$	1,589	\$	1,027	\$	614	\$	492	\$	264	\$	943
Switch Investment	\$	245	\$	152	\$	127	\$	118	\$	113	\$	111	\$	110	\$	119
InterOffice Facilities	\$	7	\$	5	\$	4	\$	4	\$	3	\$	3	\$	3	\$	4
Other Investment	\$	353	\$	164	\$	102	\$	71	\$	49	\$	42	\$	30	\$	67
Total Investment	\$	6,247	\$	3,013	\$	1,822	\$	1,220	\$	779	\$	648	\$	406	\$	1,133

Cost Per Month Data

Capital Cost	\$	96.49	\$	47.06	\$	28.63	\$	19.22	\$	12.33	\$	10.15	\$	6.45	\$ 17.79
Operating Expense per Line	\$	11.34	\$	11.34	\$	11.34	\$	11.34	\$	11.34	\$	11.34	\$	11.34	\$ 11.34
Total Cost per Line (Excluding Gross Receipts Tax)	\$	107.84	\$	58.41	\$	39.98	\$	30.57	\$	23.67	\$	21.49	\$	17.79	\$ 29.14

Line Data

Loop Distribution Length	8,278	8,148	6,242	3,805	1,992	1,164	651	2,910
Loop Feeder Length	65,014	30,823	21,712	15,527	11,610	9,532	6,505	14,363
Total Loop Length	73,291	38,972	27,954	19,332	13,602	10,697	7,156	17,273
Number of Households	1,410,926	12,743,132	9,087,971	11,266,453	28,469,972	22,867,583	11,054,052	96,900,089
Number of Residential Lines	1,549,773	14,088,715	10,170,515	12,690,579	32,201,003	26,104,200	12,967,147	109,771,932
Number of Single Business Lines	61,478	660,674	965,323	1,713,652	4,279,907	3,100,360	2,084,895	12,866,289
Multiple Business Lines	193,938	2,084,161	3,045,205	5,405,879	13,501,374	9,780,379	6,576,998	40,587,934
Total CBG Lines Served	1,805,189	16,833,550	14,181,043	19,810,110	49,982,284	38,984,939	21,629,040	163,226,155

Benchmark Cost Proxy Model Results

Plant Summary Report

National

Multiple States [50]

Investment: Capped¹

Lines Above \$10K Loop Investment = 132,299

Aggregate Support Data	0 to 10	11 to 50	51 to 150	151 to 500	501 to 2000	2001 to 5000	> 5001	Total
Support Over \$20 Benchmark	\$ 1,587,179,975	\$ 6,405,123,845	\$ 2,597,732,250	\$ 1,877,431,028	\$ 1,822,730,882	\$ 775,350,129	\$ 55,322,134	\$ 15,120,870,243
Support Over \$30 Benchmark	\$ 1,411,564,297	\$ 4,811,420,046	\$ 1,437,771,957	\$ 560,669,842	\$ 86,825,887	\$ 12,701,969	\$ 443,164	\$ 8,321,397,162
Support Over \$40 Benchmark	\$ 1,236,160,109	\$ 3,239,202,209	\$ 471,891,068	\$ 31,975,098	\$ 1,568,303	\$ 478,423	\$ 103,046	\$ 4,981,378,256
Support Over \$50 Benchmark	\$ 1,061,250,330	\$ 1,794,464,061	\$ 62,937,781	\$ 1,530,360	\$ 507,951	\$ 177,320	\$ 81,356	\$ 2,920,949,159
Support Over \$60 Benchmark	\$ 887,687,967	\$ 776,003,372	\$ 5,533,310	\$ 612,113	\$ 254,642	\$ 111,503	\$ 65,661	\$ 1,670,268,568
Support Over \$70 Benchmark	\$ 717,906,995	\$ 271,533,481	\$ 829,406	\$ 346,663	\$ 161,100	\$ 76,414	\$ 50,256	\$ 990,904,315
Support Over \$80 Benchmark	\$ 557,743,235	\$ 77,614,015	\$ 429,516	\$ 229,762	\$ 119,731	\$ 50,914	\$ 36,560	\$ 636,223,734

¹ CBGs with Average Loop Investment per line over \$10,000 are capped at \$10,000

² The Cap is applied to the total loop investment and includes feeder and distribution.

Assumptions:

SPRINTDISCOUNTBASE.CSV, CapcostSprintDiscount.inf

BCPMsprint.xls

USF with Sprint Discounted Cable Prices (0% discount applied)

Benchmark Cost Proxy Model Results

Plant Summary Report

National
Multiple States [50]
Investment: UnCapped¹

Density Group		0 to 10		11 to 50		51 to 150		151 to 500		501 to 2000		2001 to 5000		> 5001		Total	
<u>Investment Per Line Data</u>																	
Loop Distribution Investment	\$	4,111	\$	2,095	\$	1,208	\$	750	\$	425	\$	339	\$	155	\$		689
Loop Feeder Investment	\$	1,890	\$	597	\$	381	\$	277	\$	190	\$	153	\$	109	\$		258
Total Uncapped Loop Investment	\$	6,001	\$	2,692	\$	1,589	\$	1,027	\$	615	\$	492	\$	264	\$		947
Switch Investment	\$	245	\$	152	\$	127	\$	118	\$	113	\$	111	\$	110	\$		119
InterOffice Facilities	\$	7	\$	5	\$	4	\$	4	\$	3	\$	3	\$	3	\$		4
Other Investment	\$	353	\$	164	\$	102	\$	71	\$	49	\$	42	\$	30	\$		67
Total Investment	\$	6,606	\$	3,013	\$	1,822	\$	1,220	\$	779	\$	648	\$	406	\$		1,137

Cost Per Month Data

Capital Cost	\$	102.30	\$	47.07	\$	28.64	\$	19.22	\$	12.33	\$	10.15	\$	6.45	\$ 17.86
Operating Expense per Line	\$	11.34	\$	11.34	\$	11.34	\$	11.34	\$	11.34	\$	11.34	\$	11.34	\$ 11.34
Total Cost per Line (Excluding Gross Receipts Tax)	\$	113.64	\$	58.41	\$	39.98	\$	30.57	\$	23.67	\$	21.49	\$	17.79	\$ 29.20

Line Data

Loop Distribution Length	8,278	8,148	6,242	3,805	1,992	1,164	651	2,910
Loop Feeder Length	65,014	30,823	21,712	15,527	11,610	9,532	6,505	14,363
Total Loop Length	73,291	38,972	27,954	19,332	13,602	10,697	7,156	17,273
Number of Households	1,410,926	12,743,132	9,087,971	11,266,453	28,469,972	22,867,583	11,054,052	96,900,089
Number of Residential Lines	1,549,773	14,088,715	10,170,515	12,690,579	32,201,003	26,104,200	12,967,147	109,771,932
Number of Single Business Lines	61,478	660,674	965,323	1,713,652	4,279,907	3,100,360	2,084,895	12,866,289
Multiple Business Lines	193,938	2,084,161	3,045,205	5,405,879	13,501,374	9,780,379	6,576,998	40,587,934
Total CBG Lines Served	1,805,189	16,833,550	14,181,043	19,810,110	49,982,284	38,984,939	21,629,040	163,226,155

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Plant Summary Report

National
Multiple States [50]
Investment: UnCapped¹

Aggregate Support Data	0 to 10	11 to 50	51 to 150	151 to 500	501 to 2000	2001 to 5000	> 5001	Total
Support Over \$20 Benchmark	\$ 1,696,755,760	\$ 6,405,452,604	\$ 2,597,832,160	\$ 1,877,449,806	\$ 1,822,751,335	\$ 775,398,726	\$ 55,339,041	\$ 15,230,979,431
Support Over \$30 Benchmark	\$ 1,521,140,082	\$ 4,811,748,804	\$ 1,437,871,867	\$ 560,688,620	\$ 86,846,339	\$ 12,750,566	\$ 460,071	\$ 8,431,506,350
Support Over \$40 Benchmark	\$ 1,345,735,894	\$ 3,239,530,967	\$ 471,990,978	\$ 31,993,877	\$ 1,588,756	\$ 527,020	\$ 119,953	\$ 5,091,487,444
Support Over \$50 Benchmark	\$ 1,170,826,115	\$ 1,794,792,819	\$ 63,037,691	\$ 1,549,139	\$ 528,403	\$ 225,917	\$ 98,263	\$ 3,031,058,347
Support Over \$60 Benchmark	\$ 997,263,752	\$ 776,332,130	\$ 5,633,220	\$ 630,892	\$ 275,094	\$ 160,100	\$ 82,568	\$ 1,780,377,756
Support Over \$70 Benchmark	\$ 827,482,780	\$ 271,862,240	\$ 929,316	\$ 365,442	\$ 181,552	\$ 125,011	\$ 67,163	\$ 1,101,013,503
Support Over \$80 Benchmark	\$ 667,319,020	\$ 77,942,774	\$ 529,426	\$ 248,541	\$ 140,183	\$ 99,511	\$ 53,467	\$ 746,332,922

¹ The Average Loop Investment per line

Assumptions:

SPRINTDISCOUNTBASE.CSV, CapcostSprintDiscount.inf

BCPMSprint.xls

USF with Sprint Discounted Cable Prices (0% discount applied)

Benchmark Cost Proxy Model Results

Armis Report Format

National
Multiple States [50]
Investment: Capped¹

Lines Above \$10K Loop Inv: 132,299

Account Description	Account Number	Small		Medium	
		Capped Investment	%	Capped Investment	%
Plant In Service					
Land & Support	2110	\$ 915,975,066		\$ 711,075,382	
COE Switch	2210	\$ 1,048,673,030		\$ 895,126,336	
COE Circuit	2230	\$ 1,863,443,788		\$ 1,526,253,719	
Poles	2411	\$ 1,629,768,781		\$ 1,092,246,635	
Aerial Cable	2421	\$ 2,552,940,640	24.81%	\$ 1,758,916,601	23.06%
Underground Cable	2422	\$ 732,388,133	7.12%	\$ 821,440,744	10.77%
Buried Cable	2423	\$ 7,003,994,881	68.07%	\$ 5,046,676,021	66.17%
Conduit	2441	\$ 714,726,488		\$ 793,014,566	
Total Plant in Service		\$ 16,461,910,807		\$ 12,644,750,004	
Plant Specific Expenses		Amount	%	Amount	%
Network Support	6110	\$ 10,907,267	0.56%	\$ 11,499,809	0.67%
General Support	6120	\$ 87,843,762	4.52%	\$ 92,615,907	5.37%
COE Switch	6210	\$ 24,889,066	1.28%	\$ 26,241,174	1.52%
Operator Systems	6220	\$ 658,828	0.03%	\$ 694,619	0.04%
COE Transmission	6230	\$ 16,909,924	0.87%	\$ 17,828,562	1.03%
Information IOT	6310	\$ 4,904,610	0.25%	\$ 5,171,055	0.30%
Cable & Wire	6410	\$ 201,967,450	10.38%	\$ 212,939,407	12.34%
Plant Non-Specific Expenses					
Other PP&E	6510	\$ 2,196,094	0.11%	\$ 2,315,398	0.13%
Network Operations	6530	\$ 97,506,576	5.01%	\$ 102,803,657	5.96%
Depreciation/Amort	6560	\$ 1,114,660,764	57.31%	\$ 850,377,643	49.27%
Marketing	6610	\$ 25,913,910	1.33%	\$ 27,321,693	1.58%
Customer Opr Service	6620	\$ 177,151,587	9.11%	\$ 186,775,413	10.82%
Executive & Planning	6710	\$ 10,028,830	0.52%	\$ 10,573,649	0.61%
General & Administration	6720	\$ 157,093,928	8.08%	\$ 165,628,115	9.60%
Prov Uncollectibles	6790	\$ 12,444,533	0.64%	\$ 13,120,587	0.76%
Total Operating Expense		\$ 1,945,077,130		\$ 1,725,906,688	
Operating Taxes					
Federal and State	7200	\$ 695,094,917		\$ 536,550,024	
Gross Receipts Tax	7240	\$ 158,745,374		\$ 131,684,674	
Total Tax		\$ 853,840,292		\$ 668,234,699	
Return On Investment		\$ 1,271,476,794		\$ 982,388,728	

¹ CBGs with Average Loop Investment per line over \$10,000 are capped at \$10,000

Assumptions:

SPRINTDISCOUNTBASE.CSV, CapcostSprintDiscount.inf

BCPMSprint.xls

USF with Sprint Discounted Cable Prices (0% discount applied)

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Armis Report Format

National

Multiple States [50]

Investment: Capped¹

Lines Above \$10K Loop Inv:

132,299

Account Description	Account Number	Large		Total	
		Capped Investment	%	Capped Investment	%
Plant In Service					
Land & Support	2110	\$ 9,305,445,956		\$ 10,932,496,403	
COE Switch	2210	\$ 17,518,228,114		\$ 19,462,027,480	
COE Circuit	2230	\$ 22,415,988,446		\$ 25,805,685,953	
Poles	2411	\$ 8,436,459,725		\$ 11,158,475,141	
Aerial Cable	2421	\$ 13,523,640,021	16.90%	\$ 17,835,497,263	18.21%
Underground Cable	2422	\$ 19,570,335,211	24.46%	\$ 21,124,164,088	21.57%
Buried Cable	2423	\$ 46,930,061,762	58.64%	\$ 58,980,732,665	60.22%
Conduit	2441	\$ 18,126,675,897		\$ 19,634,416,951	
Total Plant in Service		\$ 155,826,835,133		\$ 184,933,495,943	
Plant Specific Expenses		Amount	%	Amount	%
Network Support	6110	\$ 269,441,289	0.87%	\$ 291,848,365	0.84%
General Support	6120	\$ 2,169,996,961	7.03%	\$ 2,350,456,631	6.80%
COE Switch	6210	\$ 614,832,472	1.99%	\$ 665,962,712	1.93%
Operator Systems	6220	\$ 16,274,977	0.05%	\$ 17,628,425	0.05%
COE Transmission	6230	\$ 417,724,415	1.35%	\$ 452,462,901	1.31%
Information IOT	6310	\$ 121,158,164	0.39%	\$ 131,233,829	0.38%
Cable & Wire	6410	\$ 4,989,184,679	16.16%	\$ 5,404,091,537	15.65%
Plant Non-Specific Expenses					
Other PP&E	6510	\$ 54,249,924	0.18%	\$ 58,761,416	0.17%
Network Operations	6530	\$ 2,408,696,627	7.80%	\$ 2,609,006,860	7.55%
Depreciation/Amort	6560	\$ 10,356,261,369	33.55%	\$ 12,321,299,776	35.67%
Marketing	6610	\$ 640,149,103	2.07%	\$ 693,384,706	2.01%
Customer Opr Service	6620	\$ 4,376,160,538	14.18%	\$ 4,740,087,539	13.72%
Executive & Planning	6710	\$ 247,741,320	0.80%	\$ 268,343,799	0.78%
General & Administration	6720	\$ 3,880,677,899	12.57%	\$ 4,203,399,941	12.17%
Prov Uncollectibles	6790	\$ 307,416,236	1.00%	\$ 332,981,356	0.96%
Total Operating Expense		\$ 30,869,965,974		\$ 34,540,949,792	
Operating Taxes					
Federal and State	7200	\$ 6,715,667,135		\$ 7,947,312,077	
Gross Receipts Tax	7240	\$ 2,025,799,356		\$ 2,316,229,405	
Total Tax		\$ 8,741,466,491		\$ 10,263,541,482	
Return On Investment		\$ 12,332,140,768		\$ 14,586,006,291	

¹ CBGs with Average Loop Investment per line over \$10,000 are capped at \$10,000

Assumptions:

SPRINTDISCOUNTBASE.CSV, CapcostSprintDiscount.inf

BCPMSprint.xls

USF with Sprint Discounted Cable Prices (0% discount applied)

Benchmark Cost Proxy Model Results

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National

Multiple States [50]

Investment: UnCapped¹

Account Description	Account Number	Small		Medium	
		UnCapped Investment	%	UnCapped Investment	%
Plant In Service					
Land & Support	2110	\$ 931,721,010		\$ 716,799,480	
COE Switch	2210	\$ 1,048,673,030		\$ 895,126,336	
COE Circuit	2230	\$ 1,880,013,101		\$ 1,532,091,432	
Poles	2411	\$ 1,684,189,972		\$ 1,112,231,356	
Aerial Cable	2421	\$ 2,612,760,377	24.85%	\$ 1,779,525,369	23.08%
Underground Cable	2422	\$ 732,400,753	6.96%	\$ 821,451,871	10.66%
Buried Cable	2423	\$ 7,170,339,449	68.19%	\$ 5,108,241,889	66.26%
Conduit	2441	\$ 714,764,501		\$ 793,048,991	
Total Plant in Service		\$ 16,774,862,192		\$ 12,758,516,724	
Plant Specific Expenses		Amount	%	Amount	%
Network Support	6110	\$ 10,907,267	0.55%	\$ 11,499,809	0.66%
General Support	6120	\$ 87,843,762	4.47%	\$ 92,615,907	5.34%
COE Switch	6210	\$ 24,889,066	1.27%	\$ 26,241,174	1.51%
Operator Systems	6220	\$ 658,828	0.03%	\$ 694,619	0.04%
COE Transmission	6230	\$ 16,909,924	0.86%	\$ 17,828,562	1.03%
Information IOT	6310	\$ 4,904,610	0.25%	\$ 5,171,055	0.30%
Cable & Wire	6410	\$ 201,967,450	10.27%	\$ 212,939,407	12.28%
Plant Non-Specific Expenses					
Other PP&E	6510	\$ 2,196,094	0.11%	\$ 2,315,398	0.13%
Network Operations	6530	\$ 97,506,576	4.96%	\$ 102,803,657	5.93%
Depreciation/Amort	6560	\$ 1,135,522,542	57.76%	\$ 857,950,838	49.49%
Marketing	6610	\$ 25,913,910	1.32%	\$ 27,321,693	1.58%
Customer Opr Service	6620	\$ 177,151,587	9.01%	\$ 186,775,413	10.77%
Executive & Planning	6710	\$ 10,028,830	0.51%	\$ 10,573,649	0.61%
General & Administration	6720	\$ 157,093,928	7.99%	\$ 165,628,115	9.55%
Prov Uncollectibles	6790	\$ 12,444,533	0.63%	\$ 13,120,587	0.76%
Total Operating Expense		\$ 1,965,938,908		\$ 1,733,479,883	
Operating Taxes					
Federal and State	7200	\$ 708,096,834		\$ 541,276,128	
Gross Receipts Tax	7240	\$ 161,081,823		\$ 132,533,548	
Total Tax		\$ 869,178,657		\$ 673,809,676	
Return On Investment		\$ 1,295,185,583		\$ 991,006,542	

¹ The Average Loop Investment per line

Assumptions:

SPRINTDISCOUNTBASE.CSV, CapcostSprintDiscount.inf

BCPMsprint.xls

USF with Sprint Discounted Cable Prices (0% discount applied)

Benchmark Cost Proxy Model Results

Armis Report Format

National

Multiple States [50]

Investment: UnCapped¹

Account Description	Account Number	Large		Total	
		UnCapped Investment	%	UnCapped Investment	%
Plant In Service					
Land & Support	2110	\$ 9,318,554,925		\$ 10,967,075,415	
COE Switch	2210	\$ 17,518,228,114		\$ 19,462,027,480	
COE Circuit	2230	\$ 22,429,339,260		\$ 25,841,443,793	
Poles	2411	\$ 8,482,465,406		\$ 11,278,886,734	
Aerial Cable	2421	\$ 13,573,147,647	16.92%	\$ 17,965,433,393	18.25%
Underground Cable	2422	\$ 19,570,458,989	24.40%	\$ 21,124,311,613	21.46%
Buried Cable	2423	\$ 47,068,020,411	58.68%	\$ 59,346,601,749	60.29%
Conduit	2441	\$ 18,127,161,756		\$ 19,634,975,248	
Total Plant in Service		\$ 156,087,376,507		\$ 185,620,755,424	
Plant Specific Expenses		Amount	%	Amount	%
Network Support	6110	\$ 269,441,289	0.87%	\$ 291,848,365	0.84%
General Support	6120	\$ 2,169,996,961	7.03%	\$ 2,350,456,631	6.80%
COE Switch	6210	\$ 614,832,472	1.99%	\$ 665,962,712	1.93%
Operator Systems	6220	\$ 16,274,977	0.05%	\$ 17,628,425	0.05%
COE Transmission	6230	\$ 417,724,415	1.35%	\$ 452,462,901	1.31%
Information IOT	6310	\$ 121,158,164	0.39%	\$ 131,233,829	0.38%
Cable & Wire	6410	\$ 4,989,184,679	16.15%	\$ 5,404,091,537	15.62%
Plant Non-Specific Expenses					
Other PP&E	6510	\$ 54,249,924	0.18%	\$ 58,761,416	0.17%
Network Operations	6530	\$ 2,408,696,627	7.80%	\$ 2,609,006,860	7.54%
Depreciation/Amort	6560	\$ 10,373,602,626	33.59%	\$ 12,367,076,006	35.76%
Marketing	6610	\$ 640,149,103	2.07%	\$ 693,384,706	2.00%
Customer Opr Service	6620	\$ 4,376,160,538	14.17%	\$ 4,740,087,539	13.70%
Executive & Planning	6710	\$ 247,741,320	0.80%	\$ 268,343,799	0.78%
General & Administration	6720	\$ 3,880,677,899	12.56%	\$ 4,203,399,941	12.15%
Prov Uncollectibles	6790	\$ 307,416,236	1.00%	\$ 332,981,356	0.96%
Total Operating Expense		\$ 30,887,307,230		\$ 34,586,726,022	
Operating Taxes					
Federal and State	7200	\$ 6,726,495,742		\$ 7,975,868,704	
Gross Receipts Tax	7240	\$ 2,027,743,964		\$ 2,321,359,335	
Total Tax		\$ 8,754,239,706		\$ 10,297,228,039	
Return On Investment		\$ 12,351,888,040		\$ 14,638,080,165	

¹ The Average Loop Investment per line

Assumptions:

SPRINTDISCOUNTBASE.CSV, CapcostSprintDiscount.inf

BCPMSprint.xls

USF with Sprint Discounted Cable Prices (0% discount applied)

Benchmark Cost Proxy Model Results

Household Category Summary

**National
Multiple States [50]**

Total Annual Cost of Local Service = \$ 57,200,674,891
Uncapped State Average Monthly Cost= \$ 29.20
Capped State Average Monthly Cost= \$ 29.14

Capped Investment Cost Category	Number of Households
\$0<=\$ 5	0
\$5<=\$10	0
\$10<=\$15	111,535
\$15<=\$20	17,632,157
\$20<=\$25	26,948,860
\$25<=\$30	17,328,564
\$30<=\$35	8,576,009
\$35<=\$40	5,555,209
\$40<=\$45	4,154,482
\$45<=\$50	3,236,526
\$50<=\$55	3,220,306
\$55<=\$60	2,590,902
\$60<=\$65	2,049,328
\$65<=\$70	1,569,694
\$70<=\$75	1,073,005
\$75<=\$100	2,070,606
\$100<=\$150	558,481
\$150<=\$200	222,265
\$200<=\$250	2,109
\$250<=\$300	19
\$300<=\$500	25
\$500<=\$1000	7
\$1000+	0
Total Households	96,900,089

Loop Category	Number of Households
0 <= 5Kft	8,067,851
5Kft <= 10Kft	22,083,798
10Kft <= 15Kft	20,189,801
15Kft <= 20Kft	14,272,286
20Kft <= 25Kft	9,619,973
25Kft <= 30Kft	6,615,312
30Kft <= 40Kft	8,015,170
40Kft <= 50Kft	3,831,772
50Kft <= 60Kft	1,965,457
60Kft <= 70Kft	945,263
70Kft <= 80Kft	503,113
80Kft <= 90Kft	272,859
90Kft <= 100Kft	171,804
100Kft <= 150Kft	270,570
150Kft <= 200Kft	57,386
200Kft+	17,674

Loop Information	Length
Minimum Loop Length	539
Maximum Loop Length	430,569
Average Loop Length	17,273
Lines Above \$10K Loop Inv	132,299

Assumptions:

SPRINTDISCOUNTBASE.CSV, CapcostSprintDiscount.inf

BCPMSPrint.xls

USF with Sprint Discounted Cable Prices (0% discount applied)

Sprint Input Changes to BCPM

- Switching costs reduced
- 11.25% Cost of Capital
- Revised depreciation lives
 - switching - 12 years
 - circuit equipment - 10 years
 - copper plant - 18 years
- Structure sharing
 - 66% buried and manholes
 - 50% poles
- Copper and fiber material costs reduced 20%
- Sprint specific costs for
 - digital loop carrier (DLC)
 - feeder distribution interfaces

BCPM Results

Sprint Input Data

Nationwide average cost/line/month: \$29.14

Nationwide total Costs: \$57.1B

USF Support at:

\$20 Bench Mark \$15.1B

\$30 Bench Mark \$8.3 B

\$40 Bench Mark \$5.0 B

Proposed Workplan to Meet January 1, 1998 Implementation Date

- Adopt BCPM as Platform
- Address remaining issues
 - Switch costs
 - Input values for
 - cost of capital
 - depreciation
 - structure sharing
 - Low density areas
 - network quality
 - customer distribution



Attachment B

Bcpm Misc Inputs

Miscellaneous Inputs
Cable & Wire Inputs

	FCC Filing	Sprint Run
CprMaxDistr	12,000	18,000
DropCostPerFoot	\$0.77	\$0.50
Cable Break Point	12000	15000



Attachment C

Rockwell Semiconductor Systems

P. Michael Henderson
Director, Network Access Products
714.221.4104
714.221.8544 Fax

February 13, 1997

Mr. Rod Thompson
Sprint Corporation
MS KSFRWA0302
2330 Shawnee Mission Parkway
Westwood, KS 66205

Via Fax 913.261.2450

Dear Rod:

Thank you for your telephone call of today requesting that Rockwell document what's needed on the local loop for analog data communications. I have started the process of preparing this information and will forward it to you in letter format as soon as we have it available.

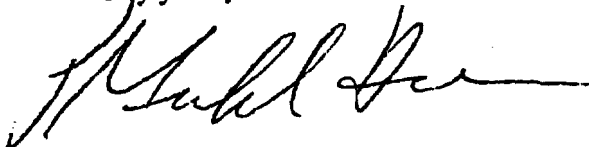
International modem standards are set by the International Telecommunications Union (ITU) in Geneva, Switzerland (formerly known as the CCITT). For data communications, the most demanding existing standard, in terms of local loop and network requirements, is the V.34 standard, including the extension to 33.6Kbps recently approved. For fax, a variation of V.34 has also been recently approved.

Each time a new modem standard has been developed, the designers have extended the modulation technique closer and closer to the theoretical limits of the network. This continues to be true with the new 56Kbps technique which the ITU is presently working to standardize. This technique uses bandwidth out to 4,000 Hz, the theoretical Nyquist limit, by equalizing the anti-aliasing rolloff of the codec.

Due to the FCC Part 68 limits on power, attenuation due to line length is one of the critical limiting factors for this technology, and has an important impact on V.34 and other existing modem standards. New data communications techniques over the local loop, such as digital subscriber line (DSL) techniques, are also extremely sensitive to line length due to attenuation, especially at higher frequencies. Loading coils will prevent the implementation of these new DSL techniques.

If you or anyone involved in this local loop issue would like to talk with technical people at Rockwell about these issues, I'd be happy to arrange a conference call. Thank you again for your call, Ron. I'll get the follow up letter to you as soon as I'm able.

Sincerely yours,



P. Michael Henderson
Director, Network Access Products